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# **DRAFT REPORT**

on improving the functioning of the European Union building on the potential  
of the Lisbon Treaty  
(2014/2249(INI))

Committee on Constitutional Affairs

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on improving the functioning of the European Union building on the potential of the Lisbon Treaty

(2014/2249(INI))

*The European Parliament,*

- having regard to the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, signed on 13 December 2007,
  - having regard to its resolution of 20 February 2008 on the Treaty of Lisbon<sup>1</sup>,
  - having regard to its resolution of 7 May 2009 on the Impact of the Lisbon Treaty on the development of the institutional balance of the European Union<sup>2</sup>,
  - having regard to the opinions of the European Economic and Social Committee of 8-9 July 2015<sup>3</sup> and of the Committee of the Regions of 16 September 2015<sup>4</sup>,
  - having regard to Rule 52 of its Rules of Procedure,
  - having regard to the report of the Committee on Constitutional Affairs and the opinions of the Committee on Budgets and the Committee on Budgetary Control (A8-0000/2016),
- A. whereas the European Union and its Member States are facing major challenges, which no Member State can tackle on its own;
- B. whereas the provisions of the Lisbon Treaty have not yet been exploited to their full potential; whereas some proposals can only be fully realised by Treaty change, emphasising a two-step approach to EU reform (within and beyond the Treaties);
- C. whereas the Community method must be preserved and not be undermined by intergovernmental solutions, not even in areas where not all Member States fulfil the conditions for participation;
- D. whereas the European Parliament is the parliament of the whole Union and plays an essential role in ensuring the legitimacy and accountability of EU decisions;
- E. whereas political dialogue between national parliaments and the European Parliament should be enhanced and practical possibilities for the use of the ‘yellow’ and ‘orange card’ improved;
- F. whereas the European Council’s working methods should be rendered more transparent

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<sup>1</sup> OJ C 184 E, 6.8.2009, p. 25.

<sup>2</sup> OJ C 212 E, 5.8.2010, p. 82.

<sup>3</sup> OJ C 13, 15.7.2015, p. 183.

<sup>4</sup> OJ C 313, 22.9.2015, p. 9.

vis-à-vis Parliament and its interference in legislative decision-making should remain within the limits of the Treaty provisions;

- G. whereas in order to create a genuine bi-cameral legislative system, the existing specialised Council configurations should be reduced to a single legislative one, and the transparency of its decision-making should be improved;
- H. whereas the Commission's role as the executive should be strengthened in the field of Economic and Monetary Policy by the creation of the position of EU Finance Minister, assisted by an EU Fiscal and Treasury administration, and by endowing it with the powers to implement and enforce any future and existing Economic and Monetary Union (EMU) instruments;
- I. whereas the European Institutions and bodies, notably the Committee of the Regions (CoR), the European Economic and Social Committee (EESC), and, especially, the European Parliament should, in their daily work, monitor respect for, and the development of, horizontal and vertical subsidiarity in the European Union;
- J. whereas the existing economic governance system is not yet strong enough to tackle all potential future crises and shocks as it should, nor is it yet sufficiently good at generating higher competitiveness, structural convergence among its members, sustainable growth and social cohesion; whereas, therefore, progress towards the completion of the EMU should be sustained, as well as efforts to render its institutional structure more legitimate and democratically accountable;
- K. whereas the Fiscal Compact should be incorporated into the EU legal framework on the basis of an assessment of experience with its implementation;
- L. whereas the institutional structure of the EMU should be transformed into an effective and democratic economic government, with Parliament and Council acting as equal co-legislators, the Commission fulfilling the role of the executive, national parliaments scrutinising national governments, the European Parliament scrutinising the EU level of decision-making, and the Court of Justice having control over all aspects of EMU enshrined in the Treaties;
- M. whereas the Union needs a new legal act on economic policy, including the adoption of Convergence Guidelines, as well as some crucial structural reforms in the areas of competitiveness, growth and social cohesion;
- N. whereas the European Semester process should be simplified, and rendered more focused and democratic, by enhancing Parliament's scrutiny role over it and by investing it with a more substantial role in the various cycles of negotiations;
- O. whereas the use of the Union budget should be more streamlined, its revenue should originate from genuine own resources and not predominantly from Gross National Income (GNI) contributions, and the procedure for adoption of the Multiannual Financial Framework (MFF) and the legislation relevant to own resources should be switched to the ordinary legislative procedure;
- P. whereas the Union should be endowed with increased investment capacity by ensuring

better use of the existing structural funds and by fully implementing the existing six-pack and two-pack legal framework;

- Q. whereas part of the EU budget should be used to establish a fiscal capacity within the eurozone in order to assist Member States in the implementation of agreed structural reforms based on certain conditions; whereas this additional fiscal capacity should be placed outside the ceilings of the MFF and should be financed by genuine own resources;
- R. whereas the growth potential of the Single Market should be further exploited in the areas of services, the Digital Single Market, the Energy Union, the Banking Union and the Capital Markets Union;
- S. whereas the rights of workers should be guaranteed and sustained in the process of reforming the Union in order to exploit fully the potential of the Lisbon Treaty;
- T. whereas the Union needs to increase the effectiveness, coherence and accountability of the Common Foreign and Security Policy (CFSP), which can be done by using the existing Treaty provisions to switch from unanimity to qualified majority voting (QMV) for more and more areas of external policies, as well as by implementing the provisions for flexibility and enhanced cooperation when needed;
- U. whereas recent security challenges, some in the immediate vicinity of the EU's borders, have revealed the need to move progressively towards the establishment of a common defence policy, and eventually, a common defence; whereas the Treaty already contains clear provisions as to how this could be done, notably in Articles 41, 42, 44 and 46 TEU;
- V. whereas the refugee crisis has exposed the need for a common asylum and immigration policy, which should provide as well for a fair distribution of asylum seekers across the European Union;
1. Notes that the European Union and its Member States are facing unprecedented challenges, such as the refugee crisis, the foreign policy challenges in the immediate neighbourhood and the fight against terrorism, as well as globalisation, climate change, the consequences of the financial and debt crisis, the lack of competitiveness and the social consequences in several Member States, and the need to reinforce the EU internal market, which have so far been inadequately addressed;
  2. Underlines that these challenges cannot be tackled individually by the Member States, but need a collective response from the Union;
  3. Stresses that the Union needs to restore the lost confidence and trust of its citizens by enhancing the transparency of its institutions and decision-making, and improving its capacity to act;
  4. Points out that the provisions of the Lisbon Treaty have not yet been exploited to their full potential even though they contain some necessary tools that could have been applied to prevent some of the crises with which the Union is confronted, or could be used to cope with the current challenges without having to initiate a Treaty revision in

the short term;

5. Stresses that the Community method is superior to the intergovernmental method as it is the only one that allows for transparency, QMV in the Council, and the equal right of co-legislation by the European Parliament and Council, as well as preventing a fragmentation of institutional responsibilities and the development of competing institutions;
6. Is of the opinion that intergovernmental solutions should not exist, not even in areas where not all the Member States fulfil the conditions for participation, and that the Fiscal Compact and the European Stability Mechanism, as intended by the Treaties should therefore be incorporated into Union law and no new institutions should be introduced;
7. Underlines that the directly elected European Parliament plays an essential role in ensuring the legitimacy of the Union, as well as in making the Union's decision-making system accountable to citizens by ensuring proper parliamentary scrutiny over the executive at the Union level and by the legislative co-decision procedure;
8. Recalls that the European Parliament is the parliament of the whole Union; considers that its working methods should be reformed so as to strengthen its control over the Commission in the implementation of the *acquis*, and to ensure proper democratic accountability even in the areas in which not all Member States participate;
9. Considers that political dialogue between national parliaments and the European Parliament should be intensified and made more meaningful and substantial, without overstepping the limits of their respective constitutional competences; points out, in this regard, that national parliaments are best placed to mandate and scrutinise at national level the action of their respective governments in European affairs, while the European Parliament should ensure the democratic accountability and legitimacy of the European executive;

### ***Institutional setup, democracy and accountability***

#### *Parliaments*

10. Insists that Parliament's legislative powers and control rights must be guaranteed, consolidated and strengthened, *pari passu* with those of the Council by an inter-institutional agreement, and through the use of the corresponding legal base by the Commission;
11. Considers it necessary for the European Parliament to reform its working methods in order to cope with the challenges ahead, by using its control over the Commission, including in relation to the implementation and application of the *acquis* in the Member States, by limiting first-reading agreements to exceptional cases of urgency, and by improving its own electoral procedure through the revision of the 1976 Electoral Act in line with Parliament's proposals contained in its resolution of 11 November 2015 on the

reform of the electoral law of the European Union<sup>1</sup> or as a future step through the adoption of implementing measures in application of Article 14 of the Electoral Act;

12. Encourages meaningful political dialogue with national parliaments on the contents of legislative proposals; insists, however, on a clear delineation of the respective decision-making competences of the national parliaments and the European Parliament, where the former should exercise their European function on the basis of their national constitutions, in particular via the control of their national governments as members of the European Council and the Council, which is the level where they are best placed to directly influence the content of and exercise scrutiny over the European legislative process; is therefore against the creation of joint parliamentary decision-making bodies for reasons of transparency, accountability and ability to act;
13. Stresses the importance of cooperation between the European Parliament and national parliaments in joint bodies such as the Conference of Parliamentary Committees for Union Affairs of Parliaments of the European Union (COSAC), and the Inter-parliamentary Conference on Common Foreign and Security Policy (CFSP-IPC), and in the framework of Article 13 of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union on the basis of the principles of consensus, information sharing and consultation in order to exercise control over their respective administrations; underlines the need for stronger cooperation between the specialised committees of the European Parliament and their national equivalents;
14. Encourages the exchange of best practices in parliamentary scrutiny between national parliaments, such as the holding of regular debates between the respective ministers and the specialised committees in national parliaments before and after Council meetings, and with Members of the European Commission in an appropriate timeframe;

#### *European Council*

15. Insists on curbing the interference of the European Council in the legislative process as it goes against the letter and spirit of the Treaties;
16. Notes that it is possible within the Treaties to merge the function of President of the European Council with that of President of the European Commission; and that the European Council, by means of an Interinstitutional Agreement (IIA), could engage itself politically to appoint as its President the Commission President, who should be elected by the European Parliament on a proposal by the European Council on the basis of the European election results, as was the case in the 2014 European elections;
17. Calls on the European Council to start activating the ‘passerelle clause’ (Article 48 (7) TEU) in order to switch from unanimity to QMV voting in the remaining policy areas where this is not yet the case;
18. Insists that the European Council publicly explain and motivate its policies before the

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<sup>1</sup> Texts adopted, P8\_TA(2015)0395.

European Parliament, including by presenting its intentions in advance of its meetings;

#### *Council*

19. Proposes that the Council be transformed into a true legislative chamber by reducing the number of Council configurations by means of a European Council decision, thus creating a genuinely bi-cameral legislative system involving the Council and Parliament, with the Commission acting as the executive; suggests involving the currently active specialised Council configurations as preparatory bodies for the legislative Council, along the lines of the Committees in the European Parliament;
20. Insists on the importance of enhancing the transparency of Council legislative decision-making and the access of Parliament representatives as observers in meetings of the Council and its bodies in cases of legislation;
21. Calls for the creation of the position of European Finance Minister, combining the roles of a permanent President of the Eurogroup and Commission Vice-President (VP) for Economic and Financial Affairs, through an Interinstitutional Agreement between Parliament, Council and Commission;
22. Demands that the Council switches completely to QMV voting and that it abandons the practice of transferring contentious legislative fields to the European Council, as this goes against the letter and the spirit of the Treaty, which stipulates that the European Council can only decide unanimously, and should only do so, on broad political goals, not on legislation;
23. Is determined to implement fully Treaty provisions on enhanced cooperation by committing not to give its consent to any new enhanced cooperation proposals unless the participating Member States commit to activate the special ‘passerelle clause’ enshrined in Article 333 TFEU to switch from unanimity to QMV, and from a special to the ordinary legislative procedure;

#### *Commission*

24. Is determined to strengthen the role of Parliament in the election of the Commission President by reinforcing the formal consultations of its political groups with the European Council President, as foreseen in Declaration 11 annexed to the Final Act of the Intergovernmental Conference which adopted the Treaty of Lisbon, in order to ensure that the European Council takes full account of the election results when presenting a candidate for Parliament to elect;
25. Suggests, on the basis of Article 352 TFEU, the creation of an EU Fiscal and Treasury Administration, with a role similar to that of the Congressional Budget Office in the United States, in order to support the European Finance Minister;
26. Insists on ensuring a single representation of the EU/eurozone within the International Monetary Fund (IMF), the World Bank and other international financial institutions (Article 138 TFEU) by its Finance Minister/VP of the Commission and the President of the European Central Bank (ECB);



27. Recalls that the Commission and Parliament must ensure better application and implementation of European Union law;

*Committee of the Regions and Economic and Social Committee*

28. Calls on the European Parliament, the Council and the Commission to organise better co-operation modalities with the Committee of the Regions (CoR) and the European Economic and Social Committee (EESC) in order to be able to take their opinions into account at an earlier stage in the legislative procedure;

*Respect for the principle of subsidiarity and proportionality*

29. Stresses the importance of the subsidiarity principle, as laid down in Article 5 TEU, which is binding on all institutions and bodies, notably the CoR and the EESC, and of the instruments contained in Protocol (No 2) on the application of the principles of subsidiarity and proportionality; supports a flexible interpretation of the deadlines enshrined in the Protocol and calls on the Commission to improve the quality of its responses to reasoned opinions;
30. Considers that the practical possibilities for national parliaments to ensure the principles of subsidiarity and proportionality should be improved, and cooperation between national parliaments strengthened, to enable them, in close cooperation among themselves, to reach the necessary quorum under article 7(3) of the Protocol on the application of the principles of subsidiarity and proportionality;

*Deepening the Economic and Monetary Union (EMU)*

31. Recalls that any further development of the EMU should be based on, and build on, existing legislation and its implementation;
32. Calls for further institutional reforms in order to provide the EMU with an effective and democratic economic government with improved capacities and integrated within the institutional framework of the Union, whereby the Commission acts as the executive and Parliament and Council as co-legislators, as outlined below;

*New legal act on economic policy*

33. Insists on the adoption of Convergence Guidelines, to be enshrined within a Convergence Code and adopted under the ordinary legislative procedure, with a view to creating a more binding framework for economic policy coordination (with key economic, competitiveness and social targets, such as in the areas of labour markets, competitiveness, business environment and public administrations, aspects of tax policy and social protection) that is open to all 28 Member States and that guarantees them the possibility of participating in a shock-absorption mechanism;
34. Believes that a limited number of crucial areas for structural reforms that increase competitiveness, the growth potential, real economic convergence and social cohesion over a five-year period to strengthen the European social market economy, as outlined in Article 3 (3) TEU, should be laid down;

35. Underlines the importance of a clear division of competences between the EU institutions and the Member States increasing the Member States' ownership of, and the national parliaments' role in, implementation programmes;
36. Calls for better use of available instruments in conjunction with Article 136 TFEU to facilitate the adoption and implementation of new measures in the eurozone;

*A simplified, more focussed and more democratic European Semester process*

37. Points out the need for fewer and more targeted Country Specific Recommendations (CSR), based on the policy framework set out in the Convergence Code and the Annual Growth Survey (AGS), and on the concrete proposals presented by each Member State, in line with their respective key reform objectives, from a broad range of structural reforms, fostering competitiveness, real economic convergence and social cohesion;
38. Insists on formalising Parliament's scrutiny role in the European Semester through an interinstitutional Agreement, including by involving it formally in the adoption of the AGS;
39. Considers it necessary for Parliament to be invested with a more substantial role in negotiations within the framework of the European Semester by allowing it to call hearings with governments of Member States affected by Country Specific Recommendations, Economic Partnership Programmes (EPP), Corrective Action Plans (CAP) and Alert Mechanism Reports (AMRs);
40. Calls for the establishment of an enhanced dialogue between Parliament, the Council, the Commission and the Eurogroup by agreeing on dedicated meeting time-slots during the main steps of the European Semester cycle;
41. Considers it necessary to have an overall assessment of the budgetary situations and prospects in the eurozone as a whole, of the individual Member States in the eurozone and of all members of the fiscal compact, ahead of the spring European Council;
42. Calls for the integration of the Fiscal Compact into the EU legal framework on the basis of an assessment of the experience with its implementation;

*Ensuring better use of the EU budget*

43. Points out the need to switch from unanimity to QMV for the adoption of the Multiannual Financial Framework (MFF) Regulation, by using the provisions of Article 48 (7) TEU and Article 312 (2) TFEU; highlights the importance of establishing a link between the duration of Parliament's legislative term and the duration of the MFF, which can be reduced to five years under the provisions of Article 312 (1) TFEU;
44. Proposes to change the procedure for the adoption of own resources through the general 'passerelle clause' contained in Article 48 (7) TEU, which would facilitate the necessary transition from a system based on Gross National Income (GNI) contributions to one based on real own resources for the EU and the eurozone budget, such as a reformed Value Added Tax (VAT), a Financial Transaction Tax (FTT) or revenue from other sources such as the Emission Trading Scheme;

*An increased EU investment capacity*

45. Calls for better use of the existing structural funds in the direction of fostering competitiveness and cohesion, and for the creation of an increased EU investment capacity through the exploitation of innovative approaches such as the European Fund for Strategic Investments, or through the creation of a specific facility to finance and guarantee infrastructure projects in the interest of the Union;
46. Insists on the full implementation of the existing six-pack and two-pack framework and the European Semester to address, in particular, macroeconomic imbalances, and secure long-term control over deficit and still extremely high levels of debt by improving spending efficiency, prioritising productive investments, providing incentive to structural reform and taking into account business cycle conditions;

*Establish a fiscal capacity within the eurozone through part of the EU budget*

47. Recalls that the euro is the currency of the Union and that the EU budget is designed to help less developed Member States catch up and become able to join the eurozone;
48. Proposes the establishment of a fiscal capacity within the eurozone in order to assist Member States in the implementation of agreed structural reforms, based on incentives and certain conditions, including the effective implementation of the National Reform Programmes agreed within the European Semester; considers that this could be done through the creation of additional capacity and/or by earmarking funding from the existing EU budget for this purpose; underlines that any new instrument should be placed within the EU budget, but outside the ceilings of the MFF, and financed from real own resources;
49. Pledges to increase the resilience of the EMU when facing economic shocks while preventing any form of permanent fiscal transfers;
50. Reiterates its support for the suggestion to transform the position of Commissioner for Economic and Financial Affairs into a Treasury Minister, as made in its resolution of 12 December 2013 on constitutional problems of a multitier governance in the European Union<sup>1</sup>;
51. Considers it necessary to incorporate the European Stability Mechanism into the Union legal framework and, as a next step, to transform it into a European Monetary Fund;
52. Believes that the establishment of a European fiscal capacity and the European Monetary Fund are steps in the process of creating a European Treasury, which should be accountable to the European Parliament;
53. Calls for due consideration to be given to the main findings of the Expert Group created by the Commission, with a view to constituting a Redemption Fund;

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<sup>1</sup> Texts adopted, P7\_TA(2013)0598.

### *Single Market and financial integration*

54. Believes that the Single Market contains growth potential that has not yet been fully exploited, particularly with reference to the Digital Single Market; calls, therefore, for better control of the correct application, and better enforcement, of the existing *acquis* in this domain;
55. Calls for the rapid completion of a Banking Union based on a single supervision mechanism (SSM) and a single resolution mechanism (SRM), and sustained by an adequate backstop; calls, to this end, for a swift agreement on an adequate bridge financing mechanism until the Single Resolution Fund becomes operational and a European Insolvency Scheme is created;
56. Considers it necessary to strengthen the level playing field inside the single market by creating a single rule book applicable to all banks in the EU;
57. Calls for the establishment of a true capital markets union, with a single European capital markets supervisor;
58. Supports the creation of a system of competitiveness authorities tasked with bringing together the national bodies responsible for tracking progress in the area of competitiveness in each Member State, and proposes that tracking of progress of such a system should be under the supervision of the Commission;
59. Considers it necessary to improve the automatic information exchange between national tax authorities in order to avoid tax planning, base erosion and profit shifting, as well as to promote coordinated actions to fight tax havens; calls for the adoption of a Common Consolidated Corporate Tax Base directive establishing a minimum rate and spelling out common objectives for progressive harmonisation; deems it necessary to embark on a comprehensive review of the existing VAT legislation, addressing i.a. the issue of reduced rates and the introduction of the country of origin principle, and to establish a partially automatic stabilising mechanism to foster convergence and counter differences in the economic cycles of the Member States;

### *A more democratic institutional set-up for the EMU*

60. Recalls the need for proper democratic legitimacy and accountability to be ensured at the levels of decision-making with national parliaments scrutinising national governments, with an enhanced scrutiny role for the European Parliament at EU level, including a central role, together with the Council, in the adoption of the Convergence Code;
61. Insists that, when additional EU powers are required, Parliament's role in economic governance be strengthened by means of extending the ordinary legislative procedure to matters of economic and fiscal affairs, including the harmonisation of tax law and social law, using the flexibility clause, in combination with Article 333 (2) TFEU (enhanced cooperation) and general use of the 'passerelle clause' enshrined in Article 47 (8) TEU, to strengthen the democratic legitimacy and effectiveness of EU governance;
62. Reiterates that interparliamentary cooperation should not be seen as establishing a new

joint parliamentary body or any other institution, because the euro is the currency of the EU and the European Parliament is the parliament of the EU; recalls that the EMU is established by the Union, whose citizens are directly represented at Union level by Parliament, which can find ways to guarantee the parliamentary democratic accountability of eurozone-specific decisions;

63. Insists that the Commission be endowed with powers to implement and enforce any future or existing instruments adopted in the area of EMU;
64. Considers it necessary to address the weakness in the existing institutional structure, whereby certain parts of the Treaty may be overseen by the Court of Justice while others are excluded from such scrutiny; calls for binding coordination and surveillance of the budgetary discipline of those Member States whose currency is the euro, subject to the control of the Court of Justice on the basis of Article 136 TFEU, in conjunction with Article 121 (6), and under strengthened parliamentary scrutiny in the detailed implementation of Article 121 (3) and (4) TFEU;
65. Is of the opinion that differentiated integration should remain open to all Member States;
66. Recalls that priority should be given to the ordinary legislative and budgetary procedures at EU level by making use, when necessary, of derogations and the establishment of dedicated budget lines; recalls that any other provisions, such as eurozone or enhanced cooperation provisions, should only be used when the aforementioned procedures are not legally or politically possible;

#### *Completion of the internal market as the first generator of growth*

67. Is convinced that the deepening of the EMU should go hand in hand with the completion of the internal market by removing all remaining internal barriers, especially as concerns the Energy Union, the common digital market and the market in services;
68. Calls for full enforcement of existing internal energy market legislation according to Article 194 TFEU in order to establish an Energy Union;
69. Supports the creation of a European Energy Agency under Article 204 of the Euratom Treaty, as well as the establishment of a European strategic reserve and a joint negotiating centre with suppliers, with a view to completing the institutional structure of the Energy Union;
70. Encourages the use of 'project bonds', in close cooperation with the European Investment Bank (EIB), for the financing infrastructure and energy projects;

#### *The social dimension*

71. Stresses that the rights of workers, when they exercise their right of mobility, should be guaranteed, along with their social rights, in accordance with Articles 151 and 153 TFEU, in order to ensure a stable social basis for the EMU;
72. Points out the importance of promoting the idea of a minimal wage determined by each

Member State, and suggests that, under current Treaty provisions, an ‘Employees Mobility Directive’ could be adopted to reduce still-existing barriers for employees;

73. Calls on the Commission to set up social criteria for the evaluation of Member States’ performance, and to recommend structural reform, through the modification of Regulation No 1303/2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, to ensure better use of regional and social funds;
74. Calls on the Commission to assess better the need for EU action, and the potential economic, social and environmental impacts of alternative policy options before it proposes a new initiative (as legislative proposals, non-legislative initiatives and implementing and delegated acts), in keeping with the Better Regulation Guidelines adopted by the Commission on 19 May 2015<sup>1</sup>;
75. Calls for the establishment of a new social pact aimed at preserving Europe’s social market economy, respecting the right to collective bargaining; points out that such a pact could enhance the coordination of the social policies of the Member States;

### ***External Action***

#### *Increasing the effectiveness, coherence and accountability of the Common Foreign and Security Policy (CFSP)*

76. Takes the view that the European Union’s comprehensive approach to external conflicts and crises should be reinforced by bringing together more closely the different actors and instruments in all phases of the conflict cycle, and considers it necessary that Parliament and the Council start adopting joint strategic documents;
77. Insists on using the provisions of Article 22 TEU to set up an overall strategic framework for, and to take decisions on, strategic interests that can extend beyond CFSP to other areas of external action; recalls that decisions taken on the basis of such a strategy could be implemented by QMV;
78. Calls for parliamentary oversight of EU external action to be strengthened, including by continuing the regular consultations with the Vice-President/High Representative (VP/HR), the European External Action Service (EEAS) and the Commission, and for negotiations on replacing the 2002 Interinstitutional Agreement on access to sensitive information of the Council in the field of CFSP to be concluded;
79. Considers it necessary that the EU Special Representatives be integrated into the EEAS, including by transferring their budget from the CFSP lines to the EEAS lines, as this would increase the coherence of EU efforts;
80. Calls for the use of Article 31 (2) TEU, which allows the Council to take certain

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<sup>1</sup> SWD (2015) 111 final

decisions on matters of CFSP by QMV, and the ‘passerelle clause’ contained in Article 31 (3) TEU) to switch progressively to QMV for decisions in the area of CFSP that do not have military or defence implications; recalls that Article 20 (2) TEU, which lays down the provisions for enhanced cooperation, provides additional possibilities for Member States to move forward with CFSP and should therefore be used;

81. Believes that there is a need to increase the flexibility of the financial rules for external action in order to avoid delays in the operational disbursement of EU funds and, thereby, increase the EU’s ability to respond to crises in a speedy and effective way; considers it necessary, in this regard, to set up a fast-track procedure for humanitarian assistance to ensure that aid is disbursed in the most efficient and effective way possible;
82. Urges the Council, the EEAS and the Commission to uphold their respective obligations to immediately and fully inform Parliament at all stages of the negotiating and concluding processes of international agreements, as stipulated in Article 218 (10) TFEU and as detailed in interinstitutional agreements with the Commission and the Council;

*Towards a common defence policy*

83. Calls for progressive steps to be taken towards a common defence policy (Article 42(2) TEU) and, eventually, a common defence, which can be set up by unanimous decision of the European Council;
84. Suggests, as a first step in this direction, that the provisions of Article 46 TEU regarding the establishment of Permanent Structured Cooperation (PESCO) through a QMV vote in the Council be implemented, as this instrument would allow more ambitious Member States to cooperate more closely in the area of defence, and empower them to use the EU’s institutions, instruments and budget;
85. Insists on complementing the provisions for PESCO with an EU white book on security and defence on the basis of the EU global strategy for foreign and security policy currently under preparation by the VP/HR, as such a document would further define the EU’s strategic objectives in the field of security and defence, and identify the existing and required capabilities;
86. Underlines the need to define common European capabilities and armaments policy (Article 42(3) TEU), which would encompass the joint planning, development and procurement of military capabilities and which should also include proposals to react to cyber, hybrid and asymmetrical threats; encourages the Commission to work on an ambitious European Defence Action Plan, as announced in the 2016 Work Programme;
87. Considers it necessary to strengthen the European Defence Agency (EDA) by providing it with needed resources and political backing, thereby allowing it to play a leading and coordinating role in capability development, research and procurement;
88. Recalls the existence of Article 44 TEU, which provides additional flexibility provisions and introduces the possibility of entrusting the implementation of crisis management tasks to a group of Member States, which would carry out such tasks in the

name of the EU and under the political control and strategic guidance of the Political and Security Committee (PSC) and the EEAS;

89. Suggests that Article 41 (3) TEU be used to establish a start-up fund comprised of Member States' contributions to finance preparatory activities pertaining to Common Security and Defence Policy (CSDP) activities not charged to the Union budget;
90. Stresses the importance of extending common financing in the area of military CSDP, including through the Athena mechanism, as this would reduce financial disincentives on the part of Member States for contributing to military CSDP missions and operations and, thereby, improve the EU's ability to react to crises;
91. Calls for the creation of a permanent military operational headquarters that would cooperate closely with the existing Civilian Planning and Conduct Capability (CPCC); calls for the institutionalisation of the various European military structures (among others the different 'Battle Groups', Euroforces, France-United Kingdom defence cooperation, Benelux air defence cooperation) into the EU framework, and for an increase in the usability of EU battlegroups, inter alia by extending common financing and by considering, by default, their deployment as an initial entry force in future crisis management scenarios;
92. Notes that this permanent headquarters could engage in permanent contingency planning and play a major coordinating role in future applications of Article 42(7) TEU; is of the view that the 'mutual defence clause', as laid down in this Article and requested by France during the Foreign Affairs Council on 17 November 2015, will constitute a catalyst for further development of the EU's security and defence policy, leading to stronger commitment by all Member States;
93. Considers that there is a need to enhance EU-NATO cooperation at all levels in areas such as capability development and contingency planning for hybrid threats, and to intensify efforts at removing remaining political obstacles;

#### *Justice and home affairs (JHA)*

94. Underlines that in the light of the recent attacks and the increase of the terrorist threat, a more intense and structured exchange of information and data between national security agencies and intelligence services, and with Europol and Frontex, is absolutely essential;
95. Recalls, in this context, that Article 222 TFEU provides for a solidarity clause that can and should be activated when a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster;
96. Highlights the need to set up an EU common asylum and immigration policy, which should provide as well for fair distribution of asylum seekers in the European Union; takes the view that such a policy should involve all Member States, but that, if this proves impossible, the potential of enhanced cooperation could be exploited;
97. Considers it necessary to strengthen Frontex and transform it into a European System of Border Guards, to be supported, when necessary, by military instruments such as a



European Maritime Force (Euomarfor) and an upgraded European Corps (Eurocorps), together with the resources pooled through Permanent Structured Cooperation; suggests that automatic adjustment should also be envisaged of the databases of border agencies such as Eurodac, and, in future, Smart Borders, such that they incorporate the ‘European list of dangerous persons’ and the ‘European Database for wanted persons’;

98. Stresses the importance of distinguishing between the concepts of ‘unsafe third countries’ (war zones) and ‘safe third countries’ (mostly Western Balkans countries), and the corresponding distinction of procedures for processing applicants coming from these two categories of countries; calls for the signature of agreements with safe third countries in order to control and reduce migration flows before migrants arrive at the EU border; insists, at the same time, on strict procedures for returning applicants with unfounded claims;
99. Calls for the competences for external border controls to be strengthened by vesting Frontex, rather than the requesting Member State, with the power to command when the former is in charge of an operation;
100. Calls for an upgrade of the human and financial capabilities of the European Asylum Support Office (EASO) so that it can be deployed to support Member States under particular migratory pressure in the processing of asylum requests, including in its mandate for the deployment of joint operations, pilot projects and rapid interventions similar to the ones added by Regulation 1168/2011 to the mandate of Frontex;
101. Underscores the importance of improved coordination between EASO, Frontex and the Office of the European Ombudsman in order to allow for smoother adoption of Early Alert Reports in the event of particular migratory pressure, which is likely to put at risk respect for the fundamental freedoms of asylum seekers; considers it possible for the Commission to use these Early Alert Reports as basis to trigger the contingency measures provided for in Article 78(3) TFEU;
102. Finds it imperative to strengthen the role of Parliament as co-legislator, on equal footing with the Council, through the use of Article 81 (3) TFEU, which makes it possible to switch decision-making in the field of family law with cross-border implications to the ordinary legislative procedure if the Council decides so unanimously, after having consulted the Parliament; calls for a switch in decision-making on all other policies in the field of JHA to the ordinary legislative procedure, using the ‘passerelle clause’ in Article 48 (7) TEU;
103. Insists on putting into practice the principles enshrined in the Lisbon Treaty, namely solidarity and the sharing of responsibility between Member States, the principle of mutual recognition in the implementation of JHA policies (Article 70 TFEU), and the provisions of the EU Charter of Fundamental Rights;
104. Recalls the obligation for the accession of the Union to the Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR), in line with Article 6 (2) TEU, and urges the swift re-launching of negotiations with the Council of Europe to this effect;
105. Instructs its President to forward this resolution to the European Council, the Council,

the Commission, the Court of Auditors, the Committee of the Regions, the European Economic and Social Committee and the parliaments and governments of the Member States.